

**MINUTES OF REGULAR MEETING - RIVERBOAT
OPEN SESSION
March 26, 2015
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Thursday, March 26, 2015 a Regular Meeting - Riverboat of the Illinois Gaming Board ("Board") was held on the 5th floor at 160 N. LaSalle at the Michael J. Bilandic Building, Chicago, Illinois at 10:00 A.M. Present were the following: Chairman Don Tracy, Members Tom Dunn and Lee Gould.

APPROVAL OF MINUTES – Open Session

Member Gould moved that **the Board approve the open session minutes of its Regular Meeting of November 20, 2014**. Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATOR'S COMMENTS –

Administrator Ostrowski welcomed Chairman Tracy and Member Dunn as the new Illinois Gaming Board Members. He summarized the following: the renewal of Hollywood Casino Aurora - 4 year license, the relocation of the Harrah's Metropolis Casino from a barge to a land based like structure over a Moat. The Administrator went on to say that in 2014 we renewed 10 Supplier's licenses, approved 1,649 Occupational Licenses and 77 Key Persons. The Administrator also stated that the IGB completed 1,433 criminal investigations which led to 750 arrests. The total enrollment for the SEP is 11,099. Total AGR was \$1.4B and \$500M in admissions and wagering taxes.

PUBLIC COMMENTARY

Rafael Verdi, Vice President and General Manager of Hollywood Casino Aurora introduced himself to the Board.

DISCUSSION ON PENDING RIVERBOAT GAMBLING LEGISLATION

Caleb Melamed our Legislative Liaison presented the following remarks:

Land-based casinos: House Bill 3607 (Rep. Hays—assigned to House Executive Committee) incorporates an Illinois Gaming Board ("IGB") recommendation to the Governor. The bill amends the Riverboat Gambling Act by explicitly authorizing land-based casinos. Currently, 4 out of the 10 Illinois casinos are located away from a natural body of water (Rivers Casino in Des Plaines, Casino Queen in East St. Louis, Jumer's Rock Island, and most recently Harrah's Metropolis). These casinos meet the water requirement by constructing shallow moats over their gaming areas. The moats are expensive to build and maintain. Elimination of the water

requirement will bring a substantial savings to these casinos. Casinos currently located on water will feel financially freer to move to potentially more lucrative inland locations. The likely result will be increased revenues to the State from casino gaming. *House Bill 3170 (Rep. Harris)* also provides authority for land-based casinos.

Gaming Expansion:

House Bill 2939 (Rep. Rita—Assigned to House Executive Committee) does the following:

- Creates a State-owned Chicago casino. The casino will have from 4,000 to 10,000 gaming positions (compared to a maximum of 1,200 gaming positions in existing Illinois casinos).
- Specifies distributions from the State Gaming Fund of revenues from the Chicago casino.
- Prohibits political contributions by licensees under the Riverboat Gambling Act and Video Gaming Act.

House Bill 3564 (Rep. Rita—Assigned to House Executive Committee) is a more extensive piece of legislation which includes the following provisions:

- Creates a State-owned Chicago casino with from 4,000 to 6,000 gaming positions.
- Specifies distributions from the State Gaming Fund of revenues from the Chicago casino.
- Creates new casinos in Winnebago, Lake, and Vermillion Counties and the South Suburbs of Chicago.
- Authorizes the IGB to license electronic gaming facilities in racetracks (“racinos”). All Illinois racetracks except Fairmount in the Metro East area can apply for racinos. Racetracks in Cook County can house up to 600 electronic gaming terminals, and those outside Cook (i.e., Balmoral, which has filed for bankruptcy, and the currently dormant Quad Cities Downs) can house up to 450 electronic gaming terminals.
- Prohibits political contributions by licensees under the Riverboat Gambling Act and Video Gaming Act.

At present, none of the above items of legislation are moving forward in the legislative process.

OWNER LICENSEE ITEMS

- MGM Resorts International
Based on staff’s investigation, Member Dunn moved to **waive the two-meeting requirement of Rule 105(e) and approve Nevada Landing Partnership as a Subsidiary Guarantor of the principal amounts of \$1.15 billion of MGM’s 6.00% Senior Notes due 2023 and an additional \$100 million in Senior Notes recognized as an “Add-On Offering” under the same terms. The Notes were sold by MGM**

in November, 2014. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- **Hollywood Casino Aurora – Owner’s License Renewal**
Based on a review of staff’s investigation, Member Gould moved **to renew the Owner’s License of Hollywood Casino Aurora, Inc. d/b/a Hollywood Casino Aurora retroactive to December 2014 for a period of four years, expiring in December 2018 and find the following entities and individuals suitable as Key Persons of the licensee: Penn National Gaming, Inc.; Penn Tenant, LLC; Penn National Holdings, LLC; CRC Holdings, Inc.; Hollywood Casinos, LLC; Timothy J. Wilmott; Jay Snowden; Ameet Patel; John V. Finamore; Gregg W. Hart and Jason Taylor.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Hollywood Casino Aurora – Rafael Verde – Level One Licensee**
Based on a review of staff’s investigation, Member Dunn moved **to approve Rafael Ramon Verde as a Level One Licensee of Hollywood Casino Aurora, Inc. d/b/a Hollywood Casino Aurora in his position as Vice President and General Manager.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Grand Victoria Casino – Ownership Transfer**
Based on a review of staff’s investigation, Member Gould moved **to waive the two-meeting requirement of Rule 105(e) and approve the transfer of Harold Handelsman’s ownership interests in Illinois RBG, LLC.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Grand Victoria Casino – George P. Corchis Jr. – Key Person**
Based on staff’s investigation, Member Dunn moved **to approve George P. Corchis Jr. as a Key Person of Elgin Riverboat Resort d/b/a Grand Victoria Casino in his role as Executive Committee Member of the Managing Joint Venture.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Grand Victoria Casino – T. Rowe Price Associates, Inc. – Institutional Investor**
Based on staff’s investigation, Member Gould moved **to approve T. Rowe Price Associates, Inc. as an Institutional Investor of Elgin Riverboat Resort d/b/a Grand Victoria Casino through its 10.03% ownership of MGM Resorts International.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Argosy Casino Alton – Jennifer K. Jacobsen – Level One Licensee**
Based on staff’s investigation, Member Dunn moved **to approve Jennifer K. Jacobsen as a Level One Licensee of The Alton Gaming Company d/b/a Argosy Casino Alton in her role as Director of Finance.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Argosy Casino Alton – Philippe G. Khouri – Level One Licensee
Based on staff's investigation, Member Gould moved **to approve Philippe G. Khouri as a Level One Licensee of The Alton Gaming Company d/b/a Argosy Casino Alton in his role as Vice President and General Manager.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Jumer's Casino & Hotel – Joshua B. Dennison – Level One Licensee
Based on staff's investigation, Member Dunn moved **to approve Joshua B. Dennison as a Level One Licensee of The Rock Island Boatworks, Inc. d/b/a Jumer's Casino & Hotel in his role as Director of Security.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Jumer's Casino & Hotel – David Scott Frankhouser – Key Person
Based on staff's investigation, Member Gould moved **to approve David Scott Frankhouser as a Key Person of The Rock Island Boatworks, Inc. d/b/a Jumer's Casino & Hotel in his role as Director of The Rock Island Boatworks, Inc.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Harrah's Metropolis Casino – Kathleen D. Hammer – Level One Licensee
Based on staff's investigation, Member Dunn moved **to approve Kathleen D. Hammer as a Level One Licensee of Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino in her role as Senior Internal Auditor.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Harrah's Joliet Casino & Harrah's Metropolis Casino – Daniel Thomas Real – Key Person
Based on staff's investigation, Member Gould moved **to approve Daniel Thomas Real as a Key Person of Des Plaines Development Limited Partnership d/b/a Harrah's Joliet Casino & Hotel and Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino in his role as Regional President – South of Caesars Entertainment Corporation.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Harrah's Joliet Casino & Harrah's Metropolis Casino – Daniel G. Buchholz – Key Person
Based on staff's investigation, Member Dunn moved **to approve Daniel G. Buchholz as a Key Person of Des Plaines Development Limited Partnership d/b/a Harrah's Joliet Casino & Hotel and Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah's Metropolis Casino in his role as Internal Audit Director.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- Par-A-Dice Casino – Matthew D. Mitchell – Key Person
Based on staff's investigation, Member Gould moved **to approve Matthew D. Mitchell as a Key Person of Par-A-Dice Gaming Corporation d/b/a Par-A-Dice Hotel Casino in his role as Vice President of Internal Audit of Boyd Gaming Corporation.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

SUPPLIER LICENSEE ITEMS

- Cummins-Allison Corporation – Supplier License Renewal
Based on staff's investigation, Member Dunn moved **to renew the Supplier License of Cummins-Allison Corporation, retroactive to December 2014, for a period of four years, expiring in December 2018, and approve the following as Key Persons of the licensee: William J. Jones, Douglas U. Mennie, Paul A. Jones and Anne J. White.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Data Financial, Inc. – Supplier License Renewal
Based on staff's investigation, Member Gould **moved to renew the Supplier License of Data Financial, Inc., retroactive to January 2015, for a period of four years, expiring in January 2019, and approve the following as Key Persons of the licensee: President, Vice President, James A. Holtz and Laura L. Holtz.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Incredible Technologies, Inc. – Supplier License Renewal
Based on staff's investigation, Member Dunn moved **to renew the Supplier License of Incredible Technologies, Inc., retroactive to December 2014, for a period of four years, expiring in December 2018, and approve the following as Key Persons of the licensee: Elaine Alison Hodgson, Richard Allen Ditton and James Michael Dore.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- Konami Gaming, Inc. – Supplier License Renewal
Based on staff's investigation, Member Gould **moved to renew the Supplier License of Konami Gaming, Inc. retroactive to February 2015, for a period of four years, expiring in February 2019, and approve the following as Key Persons of the licensee: Konami Corporation, Konami Corporation of America, Chief Executive Officer of Konami Corporation, President, CEO and COO of Konami Gaming, Inc., Kagemasa Kozuki, Satoshi Sakamoto and Stephen Sutherland.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- Midwest Game Supply Company – Supplier License Renewal
Based on staff's investigation, Member Dunn moved **to renew the Supplier License of Midwest Game Supply Company, retroactive to January 2015, for a period of four years, expiring in January 2019, and approve the following as Key Persons**

of the licensee: **President/Treasurer, Vice President/Secretary, Linda L. Sohm and Charles P. Sohm.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSEE ITEMS

- **Approvals & Denials:**
Based on staff's investigation, Member Gould moved **to find suitable and approve 165 level 2 occupational licenses, and 306 level 3 occupational licenses, and issue a notice of denial to Tiara Paige, Melissa Velarde, Brandon Jones, Katie Merlo, Isamar J. Ortiz and Terry Linton, Jr.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Cindi Kowalski**
Based on information presented by the applicant, Member Dunn moved **to rescind the November 20, 2014 denial of the occupational license of Cindi Kowalski and issue her a Level 3 occupational license effective March 26, 2015.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

REQUESTS FOR HEARING & REQUESTS TO REAPPLY

Based on staff's investigation, Member Gould moved **to deny the request for hearing from William Craig as he has failed to establish a prima facie case, deny the request for hearing from Cindi Kowalski as moot, and deny the request to reapply from Louis Ramos.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

COMPLAINTS & DISCIPLINARY ACTIONS

- **Christopher Burgess & Brent Nelson:**
Based on staff's investigation, Member Dunn moved **to issue Disciplinary Complaints to revoke the occupational licenses of Christopher Burgess and Brent Nelson due to their conduct of stealing items and/or information from casino patron's vehicles in their roles as valets, said actions to take effect 21 days from the dates of service of the Complaints unless the licensees file an Answer within that time frame.** Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.
- **David Peterson:**
Based on staff's investigation, Member Gould moved **to issue a Disciplinary Complaint to revoke the occupational license of David Peterson due to his statutorily disqualifying conviction, said action to take effect 21 days from the date of service of the Complaint unless the licensee files an Answer within that time frame.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.
- **Jeffery Meyer:**
Based on staff's investigation, Member Dunn moved **to issue a Disciplinary Complaint to revoke the occupational license of Jeffery Meyer due to his conduct**

of attempted theft of casino property, said action to take effect 21 days from the date of service of the Complaint unless the licensee files an Answer within that time frame. Member Gould seconded the motion. The Board approved the motion unanimously by roll call vote.

- In re: the Disciplinary Action of Paul Lysy:
Pursuant to Board Rule 1155, Member Gould moved **to adopt a Final Board Order, adopting the Administrative Law Judge's Order recommending that the Gaming Board's Motion for Summary Judgment be granted and Revoking the occupational license held by Paul Lysy.** Member Dunn seconded the motion. The Board approved the motion unanimously by roll call vote.

At 10:37 A.M. Member Dunn motioned to adjourn and Member Gould seconded the motion. All Members voted in favor of adjournment.

Respectfully submitted,
Mary C. Boruta
Secretary to the Administrator